

## Federal Housing Finance Board

## §915.3

### §915.3 Director elections.

(a) *Responsibilities of the Banks.* Each Bank annually shall conduct an election the purpose of which is to fill all elective directorships designated by the Finance Board as commencing on January 1 of the calendar year immediately following the year of the election. Subject to the provisions of the Act and in accordance with the requirements of this part, the disinterested members of the board of directors of each Bank, or a committee of disinterested directors, shall administer and conduct the annual election of directors. In so doing, the disinterested directors may use Bank staff or independent contractors to perform ministerial and administrative functions concerning the elections process. The term of office of each elective director shall be three years, except as adjusted pursuant to Section 7(d) of the Act and §915.17 of this chapter to achieve a staggered board, and shall commence on January 1 of the calendar year immediately following the year in which the election is held. Each Bank shall complete the election in sufficient time to allow newly elected directors to assume their seats on January 1 of the year immediately following the election.

(b) *Designation of elective directorships.* The Finance Board annually shall designate each elective directorship as representing the members that are located in a particular state. The Finance Board shall conduct the annual designation of directorships for each Bank based on the number of shares of Bank stock required to be held by the members in each state as of December 31 of the preceding calendar year. If a Bank has issued more than one class of stock, the Finance Board shall designate the directorships for that Bank based on the combined number of shares required to be held by the members in each state. For purposes of conducting the designation, if a Bank's capital plan was not in effect on the immediately preceding December 31st, the number of shares of Bank stock that the members were required to hold as of that date shall be determined in accordance with §925.20 and §925.22. If a Bank's capital plan was in effect on the immediately preceding

December 31st, the number of shares of Bank stock that the members were required to hold as of that date shall be determined in accordance with the minimum investment established by the capital plan for that Bank, provided, however, that for any members whose Bank stock is less than the minimum investment during a transition period, the amount of stock to be used in the designation of directorships shall be the number of shares of Bank stock actually owned by those members as of December 31st. In all cases, the Finance Board shall designate the directorships by using the information provided by the Banks in the capital stock report required by §915.4. The Finance Board shall allocate the elective directorships among the states as follows:

(1) One elective directorship shall be allocated to each State within the Bank district;

(2) If the total number of elective directorships allocated pursuant to paragraph (b)(1) of this section is less than eight, the Finance Board shall allocate additional elective directorships among the States, using the method of equal proportions, until the total allocated for the Bank equals eight;

(3) If the number of elective directorships allocated to any State pursuant to paragraphs (b)(1) and (b)(2) of this section is less than the number allocated to that State on December 31, 1960, as specified in §915.15, the Finance Board shall allocate such additional elective directorships to that State until the total allocated equals the number allocated to that State on December 31, 1960;

(4) Pursuant to section 7(e) of the Act, the Federal Home Loan Bank of New York is hereby allocated one additional elective directorship, which is designated as representing the members in the Commonwealth of Puerto Rico;

(5) Pursuant to section 7(a) of the Act, in any Bank district that includes five or more states, the Finance Board, after consultation with the affected Banks, may increase the number of elective directorships up to thirteen, and the number of appointive directorships up to three-fourths of the number

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of elective directorships. In determining the number of appointive directorships, the Finance Board may round to the nearest whole number. The annual designation of directorships shall indicate the number of discretionary directorships, if any, to be authorized for the succeeding year. If the Finance Board eliminates an existing discretionary directorship, or designates such a directorship to another state, the term of any appointive or elective director affected by that action shall terminate after the close of business on the immediately following December 31.

(c) *Notification.* On or before June 1 of each year, the Finance Board shall notify each Bank in writing of the total number of elective directorships established for the Bank and the number of elective directorships designated as representing the members in each voting State in the Bank district. If the annual designation of elective directorships results in an existing stock directorship being redesignated as representing members in a different state, the notice also shall state that the directorship must be filled by an officer or director of a member located in the newly designated state as of January 1 of the immediately following year, regardless of whether the term for the incumbent director would have expired by that date.

(d) In accordance with section 7(c) of the Act, unless otherwise designated by the Finance Board, for purposes of election of directors a member shall be deemed to be located in its voting State.

(e) *2000 designation.* For any stock directorship with a term ending December 31, 2001 that is redesignated from one state to another state by the 2000 designation of directorships, the board of directors of the Bank shall determine which incumbent director from the former state shall become ineligible to serve as a result of the redesignation on the basis of the most recent election.

[63 FR 65688, Nov. 30, 1998, as amended at 65 FR 8259, Feb. 18, 2000; 65 FR 41568, July 6, 2000; 66 FR 8307, Jan. 30, 2001]

#### 12 CFR Ch. IX (1–1–02 Edition)

#### §915.4 Capital stock report.

(a) On or before April 10 of each year, each Bank shall submit to the Finance Board a capital stock report that indicates, as of the record date, the number of members located in each voting state in the Bank's district, the number of shares of Bank stock that each member (identified by its docket number) was required to hold, and the number of shares of Bank stock that all members located in each voting state were required to hold. If a Bank has issued more than one class of stock, it shall report the total shares of stock of all classes required to be held by the members. The Bank shall certify to the Finance Board that, to the best of its knowledge, the information provided in the capital stock report is accurate and complete, and that it has notified each member of its minimum capital stock holdings pursuant to §925.22(b)(1) of this chapter.

(b) If a Bank's capital plan was not in effect as of the record date, the number of shares of Bank stock that the members are required to hold as of the record date shall be determined in accordance with §925.20 and §925.22. If a Bank's capital plan was in effect as of the record date, the number of shares of Bank stock that the members were required to hold as of that date shall be determined in accordance with the minimum investment established by the capital plan for that Bank, provided, however, that for any members whose Bank stock is less than the minimum investment during a transition period, the amount of Bank stock to be reported shall be the number of shares of Bank stock actually owned by those members as of the record date.

[66 FR 8307, Jan. 30, 2001]

#### §915.5 Determination of member votes.

(a) *In general.* Each Bank shall determine, in accordance with this section, the number of votes that each member of the Bank may cast for each directorship that is to be filled by the vote of the members that are located in a particular state.

(b) *Number of votes.* For each directorship that is to be filled in an election, each member that is located in the